

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

U. S. Department of Agriculture
Washington 25, D. C.

Penalty for private use to avoid
payment of postage \$300

OFFICIAL BUSINESS

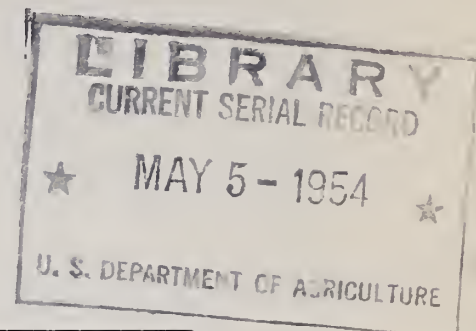
AMS-DPS-3-54
Permit No. 1001

152Pa
x The

FOR RELEASE
APR. 23, A. M.
1954

DEMAND and PRICE SITUATION x

WASHINGTON, D. C., APR. 1954



Approved by the Outlook and Situation Board April 19, 1954

AGRICULTURAL OUTLOOK FOR 1954

Prices and incomes to farmers during the remainder of 1954 are likely to continue only slightly under 1953 levels. During the first quarter of 1954, both prices received by farmers and cash receipts from farm marketings averaged almost 3 percent below the same period in 1953. If weather conditions this spring and summer are not abnormal, total farm production and marketings in 1954 may be only slightly less than a year ago. Production cut-backs on wheat and cotton may not be fully offset by prospects for increased production of feed grains and most livestock products. Average prices received by farmers declined last fall, but have improved somewhat since then. Prices may decline some again later in the year under the impact of the new harvests and increasing hog production. However, government price supports will continue to cushion the price effects of large supplies.

(Continued on page 3)

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1953			1954		
		Year	Mar.	Dec.	Jan.	Feb.	Mar.
Industrial production: 1/							
Total.....	1947-49=100	134	135	126	125	124	123
All manufacturers.....	do.	136	137	127	127	126	124
Durable goods.....	do.	153	155	142	141	139	135
Nondurable goods.....	do.	118	119	112	113	113	113
Minerals.....	do.	116	115	112	113	112	112
Total outlay for new con-							
struction 2/	Million dollars	34,843	3,050	2,900	2,915	3,038	3,075
Residential.....	do.	11,905	1,089	989	965	1,021	1,081
Total civilian employment 3/.....							
Nonagricultural.....	Million	61.9	61.5	60.8	59.8	60.1	60.1
Unemployment.....	do.	55.4	55.7	55.3	54.5	54.4	54.2
	do.	1.5	1.7	1.8	3.1	3.7	3.7
Income:							
Nonagricultural payments 2/ 4/...	Bil. dol.	267.4	265.4	267.2	266.4	265.8	
Production-worker payrolls 5/...	1947-49=100	149.2	151.9	144.0	138.6	137.3	
Weekly earnings of production-							
workers in manufacturing 5/...	Dollars	71.57	71.93	71.96	70.92	70.88	70.53
Durable.....	do.	77.19	77.52	77.52	76.40	76.38	75.81
Nondurable.....	do.	63.44	63.60	64.45	63.53	63.63	63.63
Prices:							
Wholesale prices, all com-							
modities 5/	1947-49=100	110	110	110	111	110	111
Commodities other than farm							
and food.....	do.	114	113	115	115	114	114
Farm.....	do.	97	100	94	98	98	98
Food, processed.....	do.	105	104	104	106	105	105
Prices received by farmers 6/...	1910-14=100	258	264	254	259	258	256
Crops.....	do.	242	252	238	240	237	239
Livestock and products.....	do.	273	274	269	277	277	271
Prices paid, interest, taxes							
and wage rates 6/.....	1910-14=100	279	282	278	282	282	283
Items used in living.....	do.	270	269	270	271	271	272
Items used in production.....	do.	253	261	250	254	255	255
Parity ratio.....		92	94	91	92	91	90
Consumer price index 5/.....							
Food.....	do.	114	114	115	115	115	
	do.	113	112	112	113	113	
Government purchases of goods and							
services 2/ 7/.....	Billion dollars	84.9	83.4	85.7			
Federal (less Govt. sales).....	do.	59.7	58.5	59.5			
State and local.....	do.	25.2	24.9	26.3			

Annual data for the years 1929, 1932 and 1935-53 appear on page 31 of the April 1954 issue of the Demand and Price Situation.

1/ Federal Reserve Board.

2/ U. S. Department of Commerce.

3/ Bureau of the Census.

4/ Monthly totals seasonally adjusted at annual rates.

5/ U. S. Department of Labor, Bureau of Labor Statistics.

6/ U. S. Department of Agriculture, Agricultural Marketing service.

7/ Quarterly totals seasonally adjusted at annual rates.

U. S. AGRICULTURAL MARKETING SERV.

The demand and price situation. Washington, 1954. 31 p.
1.9 Ec752Pa

A
AMS

U. S. AGRICULTURAL MARKETING SERV.

The demand and price situation. Washington, 1954. 31 p.
.9 Ec752Pa

Demand

Prices
Attention auf auf Karte

CONTENTS

	Page		Page
: Agricultural Outlook for 1954...	1	: Corn and Other Feed.....	24:
: General Business Conditions....	5	: Wheat.....	25:
: Agricultural Situation.....	14	: Fruit.....	26:
: Agricultural Exports.....	16	: Commercial Vegetables.....	27:
: Farm Income.....	20	: Potatoes and Sweetpotatoes...	27:
: Livestock and Meat.....	21	: Dry Beans and Peas.....	27:
: Dairy Products.....	22	: Cotton.....	28:
: Poultry and Eggs.....	23	: Wool.....	29:
: Fats, Oils and Oilseeds... ..	24	: Tobacco.....	29:
: Economic Factors Affecting Agriculture, 1929-1953			31:

Continued from cover page -

Farm production costs will likely be somewhat less in 1954 than in 1953. Prices of purchased feed and seed are lower than a year earlier. Some reduction in requirements for hired labor and possibly for fertilizers appears likely in view of the prospects for somewhat smaller plantings of some crops such as cotton and potatoes. However, farm expenditures for most industrial commodities used in farm production may be close to 1953 levels. Farm mortgage interest charges and property taxes will likely continue to increase. On the whole, price-cost relationships in agriculture, which have been fairly stable so far this year at levels only slightly below 1953, are not likely to change appreciably the rest of the year.

Farm operators' realized net income will likely show some reduction this year, but probably not more than 4 or 5 percent, from the 1953 total of 12.8 billion dollars. Despite some rains in early April, drought conditions continue serious in the western and southern Great Plains. If the drought should spread to other areas, income could be reduced further. Large carryovers of most crops, largely under the CCC, would be available to limit price advances which might result from short crops. Furthermore, poor ranges and pastures could cause heavier marketings of livestock and lower prices than now anticipated.

The domestic demand for food and most other agricultural products has not been significantly affected by the decline in business activity and employment which began last summer---nor do current prospects indicate significant weakening during 1954. Despite lower employment, consumer incomes available for spending in the first quarter of 1954 were close to record levels. The loss of income from reduced employment was almost entirely offset by lower income taxes which became effective at the beginning of this year and by increased unemployment compensation payments.

Most of the decline in economic activity thus far has stemmed from the impact of a sharp reduction in business purchases for inventories. Total expenditures for other purposes including business investment in new plant and equipment, residential construction, consumer goods and services, and purchases of Federal, State and local governments have declined only a little. Declines have been concentrated mostly in consumer expenditures for durable goods, such as automobiles and federal expenditures for national security programs.

Current information suggests that final demands on the economy over the rest of 1954 will not be reduced materially from current levels, even though some further decline may well occur in business expenditures for plant and equipment and national security outlays. However, the continuing high rate of private construction activity and increasing State and local Government outlays for schools, highways and other public construction will be supporting factors. Under such conditions, the rate of inventory liquidation will likely diminish and the levels of overall economic activity and employment tend to stabilize. Moreover, the President has stated that if the current downturn should become more severe, counter-measures would be fully employed. While consumer incomes may not be maintained at current rates through 1954, any reduction is likely to be small and the domestic demand for food and other farm products little affected.

Foreign demand for our agricultural products has been quite stable. The value of U. S. agricultural exports in the current fiscal year is running close to the 2.8 billion dollar rate in 1952-53. Total foreign takings in the remainder of calendar 1954 are not likely to be reduced from current levels and may well be improved, particularly for cotton and possibly some other crops. Current stocks of cotton overseas are relatively low.

Commodity Highlights

Commercial meat production in the first three months of 1954 was the same as in the corresponding period of last year. The rate of cattle slaughter the rest of this year is expected to average no greater and possibly a little less than last year unless the drought becomes so severe as to add greatly to marketings. Hog slaughter is expected to be larger through the fall. Prices for top grade steers are expected to remain fairly stable for the year as a whole, but most other classes of meat animals probably will decline seasonally in the second half of the year. With increased supplies and reduced price supports, wholesale and retail prices for milk and dairy products declined and will be well below a year earlier in the rest of 1954. Egg prices in early April averaged 15 to 20 percent below April 1953 and are expected to continue below 1953 because of increased production. Broiler prices continued near the relatively low levels of the end of 1953. The 1954 turkey crop may be as large as the record 1952 crop. Commercial supplies of food fats except butter are likely to be tight in the latter part of the present crop year, and may be reflected in some upward pressure on prices of edible oils. A larger feed grain acreage than in 1953 and a near-record carryover are in prospect for 1954. Prices will likely be lower than a year earlier. The 1954 wheat crop may be nearly a fifth smaller than the 1,169 million bushels produced in 1953, but with the carryover on July 1 expected to be in excess of 850 million bushels, record supplies are in prospect for the 1954-55 marketing year. Grower prices for Florida Valencia oranges advanced slightly in early April, and further increases are expected. Prices for California oranges will likely continue above 1953 levels as a result of smaller production. Prices received by farmers for fresh market truck crops probably will not average greatly different from levels of a year earlier. However, lower prices for tomatoes and higher prices for onions

are expected. Stocks of canned and frozen vegetables are generally larger than a year earlier. Prices for new potatoes, though declining in April and May as they become progressively more plentiful, are expected to decline less rapidly than last year. By early summer potato prices probably will be higher than the relatively low prices of a year earlier. A considerable increase in acreage of both dry beans and peas is indicated by planting intentions. Consumption of cotton by domestic mills has been running below a year earlier so far in 1953-54, but exports have totaled slightly higher. Wool prices probably will continue relatively stable over the next few months at levels about the same as or slightly below a year earlier. Domestic consumption of cigarette tobacco in the year ahead is expected to be almost as large as last year. The number of cigarettes consumed may be a little lower, but with a continued trend to "king size," leaf requirements would not be much below last year's.

GENERAL BUSINESS CONDITIONS

The gross national product in the first quarter was down only 3 percent from the record in the second quarter of 1953, even though production, employment, and incomes in the manufacturing and mining industries were considerably lower. Most of the decline in industrial output was due to a switch from relatively large inventory accumulation in April-June 1953 to substantial inventory liquidation in early 1954 as defense outlays continued to decline. With the reduction in output, employment and the average workweek decreased resulting in a decline in personal incomes. However, with the reduction in income taxes, consumer incomes after taxes and consumer outlays remain near record levels. Despite the decline in economic activity, prices, both at wholesale and retail, have increased slightly during the past year.

Consumer Demand

Income After Taxes Near Record Rates

Personal income payments declined from late 1953 to the first quarter. But with reduced income tax rates, consumer disposable income continued near levels reached in the last half of 1953. Personal income payments in January and February were at an annual rate of 283.3 billion dollars, down 1 percent from the third quarter of 1953 but slightly higher than a year earlier.

Since July of last year, wage and salary receipts have dropped nearly 7 billion dollars to an annual rate of 190.7 billion dollars in the first 2 months of 1954. Most of the decline occurred in the commodity-producing industries as employment in manufacturing and mining industries was curtailed.

Consumer credit also has ceased to be an expansionary influence. In the first quarter of this year, repayments of installment credit exceeded new credit extended (on a seasonally adjusted basis) by around 250 million dollars. Most of the reduction in credit outstanding was for the purchase of automobiles. In the first quarter of 1953, total installment credit extended exceeded repayments by 1,349 million dollars. This financed a sizable expansion in consumer buying.

Table 1.- Installment credit extended and repaid, seasonally adjusted,
first quarter 1953 to first quarter 1954

Item	1953				1954
	I	II	III	IV	I 1/
	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.
Total installment credit extended.....	7,893	7,489	7,265	7,165	6,681
Total installment credit repaid...	6,544	6,611	6,708	6,826	6,932
Excess of extended over repaid..	1,349	878	557	339	-251
Automobile paper extended.....	3,658	3,400	3,263	3,232	2,686
Automobile paper repaid.....	2,718	2,811	2,850	2,984	3,008
Excess of extended over repaid.....	940	589	413	248	-322

1/ Preliminary, based on January and February.

Personal savings were 7.2 percent of disposable income in the first quarter of 1953, and rose to 7.7 percent in the first quarter of this year. Some of this rise was due to the retirement of consumer debts. Liquid asset holdings of individuals (currency, demand and savings deposits in banks, shares in savings and loan associations, and holdings of U. S. saving bonds and other securities) on December 31, 1953 totaled 238 billion dollars, an increase of 10 billion from a year earlier.

According to the Federal Reserve Survey of Consumer Finances in early 1954, the proportion of consumers who reported owning more than 500 dollars of liquid assets was larger than that shown by any survey in recent years. However, over a fourth of consumers reported no liquid asset holdings and 54 percent had less than 500 dollars. Further information on the distribution of these assets is not yet available. The 1953 survey reported that 30 percent of the spending units held 92 percent of total liquid assets, while the bottom 50 percent held only about 1 percent.

Consumer Buying Holds Near Record

Changes in personal consumption expenditures have been similar to changes in income since the beginning of 1953. They rose to a peak annual rate of 231 billion dollars in the third quarter and have since held near that level. Estimates indicate that consumers spent 230 billion dollars in the first quarter this year. Purchases of durable goods declined some with spending for automobiles down the most. Outlays for services rose further, and consumer expenditures for nondurables held near peaks reached in the second quarter of 1953.

According to the Federal Reserve Board's survey, fewer consumers in early 1954 reported plans to purchase durable goods than a year ago. The proportion planning to buy new automobiles this year was smaller than in early 1953. The same proportion as last year planned to buy used cars, while fewer expected to buy furniture and major household appliances.

Table 2.- Consumer income, spending and saving, first quarter 1953 to first quarter 1954, seasonally adjusted annual rates

Item	1953				1954
	I	II	III	IV	I 1/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Personal disposable income	245.4	247.7	249.8	249.3	249.1
Consumer expenditures for					
goods and services	227.7	230.4	231.0	230.0	230.0
Durable goods	30.2	30.7	30.4	29.1	28.2
Automobiles and parts	13.4	14.3	13.8	12.9	---
Furniture and household					
equipment	12.4	12.1	12.3	11.9	---
Other	4.4	4.4	4.3	4.3	---
Nondurable goods	121.2	122.1	121.3	120.4	120.4
Food and beverages	74.2	74.5	74.5	73.8	---
Clothing and shoes	20.9	20.9	19.9	19.8	---
Other	26.2	26.8	26.8	26.8	---
Services	76.3	77.6	79.2	80.5	81.4
Personal saving	17.7	17.2	18.8	19.3	19.1

1/ Preliminary estimates by Council of Economic Advisers.

Investment Demand

Business investment demand for new plant and equipment is tapering off from the record rates of 1953 and is scheduled to decline some this year. Construction activity continues at record levels, with much of the strength in residential housing and in building of commercial facilities. Construction activity as a whole is expected to hold up well in 1954. Investment in business inventories started to decline in late 1953.

Table 3.- Investment expenditures, first quarter 1953 to first quarter 1954, seasonally adjusted annual rates

Item	1953				1954
	I	II	III	IV	I 1/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Gross private domestic					
investment	54.9	58.5	55.2	48.8	47.5
New construction	25.0	25.3	24.9	25.3	26.0
Residential nonfarm	12.2	12.0	11.5	11.6	12.3
Other	12.8	13.4	13.4	13.6	13.8
Producers' durable equipment ..	26.2	26.9	27.1	26.5	26.0
Change in business in-					
ventories	3.7	6.3	3.1	-3.0	-4.5
Net foreign investment	-2.1	-2.5	-2.1	-1.0	-1.0

1/ Preliminary estimates by Council of Economic Advisers.

Plant Capacity Large

The rapid growth of productive capacity in American industry in recent years has been due largely to an expanding civilian market, a rising demand for defense-related materials, relatively high earnings, and Government programs to increase plant expansion in basic industries. As requirements for defense and new capital equipment were reduced, productive capacity for a number of commodities exceeded market demand. At the beginning of this year steel capacity was rated in excess of 124 million tons and operations in March were at rate slightly below 70 percent of capacity. Most durable goods industries were operating well below peak rates reached during 1953.

Investment OutlaysShade Down

Business capital outlays for new plant and equipment in 1953 were at a record rate of 28.4 billion dollars, 7 percent above 1952. Although investment outlays are turning down, the decline scheduled for 1954 is likely to be moderate. Reduced sales and lower earnings may contribute to sizable reductions in capital outlays for some industries. However, many industries are apparently carrying out long-run expansion and modernization programs and some defense expansion programs are not yet completed. A recent survey indicates that manufacturers' outlays for new plant and equipment in 1954 may equal those of 1953 involving only a slight reduction from current rates. Total investment in the rest of the economy is expected to be down only slightly.

Construction ActivityHolds at Record Rate

New construction outlays in the first quarter were 2 percent above a year earlier and at record levels, after seasonal adjustment. For the year as a whole they are expected to total near the levels of 1953. Industrial construction this year will likely continue below 1953, but outlays for new housing may total near those of last year.

Outlays for residential construction in 1953 totaled almost 12 billion dollars, more than 7 percent above 1952. Expenditures for new residential construction receded a little in the last half of the year, but by the opening quarter of 1954 were about equal to a year earlier.

Construction costs in early 1954 continued near peak levels of last year. Some easing in recent months has been noted in average prices for building materials, particularly lumber. But wage rates in the construction industry continued to rise gradually and in early 1954 were 5 percent above a year earlier.

Prospects for around 900,000 new families in 1954 and little reduction in the flow of consumer income after taxes, suggest a fairly well maintained demand for new homes. Construction awards for new home building in early 1954 were valued at nearly 8 percent above a year earlier; and, after seasonal adjustment, were 3 percent higher than in the peak months of 1953. The continued shift of city population to the suburbs, a rising proportion of larger families, and an easier mortgage market should also contribute to a fairly strong market for new housing in 1954.

The Federal Reserve Board's survey of consumer plans for purchasing durable goods and houses in early 1954, indicated that fewer consumers reported plans to buy new homes than a year earlier. Plans for home improvements and maintenance appeared to be a little more numerous but the average expenditure planned was a little smaller.

Outlays for commercial construction including primarily stores, restaurants, garages and warehouses in the first quarter continued at a record level, 44 percent above a year earlier. The strong demand for commercial facilities stems primarily from the development of large shopping centers in outlying areas of cities. The shift of population away from the city also has resulted in a substantial increase in construction of religious, social and recreational facilities and public outlays for such related facilities as schools, highways, water and sewer installations. Construction of commercial and other related facilities probably will continue high in 1954.

Inventory Investment Declining

The build-up and decline in inventories during 1953 and early 1954 have been important influences on the trend in economic activity over the past year. Stocks were built up rapidly in the first half of 1953 from the levels caused by strikes in 1952. The biggest stock increases were in durable goods. They continued to accumulate in the third quarter but at a reduced rate. Inventory liquidation which began in the final quarter of 1953 continued into 1954. Inventory changes over the past year were due primarily to reductions in sales and new orders for both military and civilian goods and a generally quickened delivery schedule. Estimates for the first quarter of this year indicate that inventories were liquidated at an annual rate of 4.5 billion dollars.

Net Foreign Investment

Exports of goods and services totaled 21.3 billion dollars in 1953, a little larger than in 1952. Imports rose slightly more than exports so that the net exports of goods and services declined to 4.7 billion from nearly 5 billion in 1952. This decline together with a sizable increase in military aid, resulted in a gain of about 2 billion dollars in foreign gold and dollar holdings. This shows up as negative net foreign investment in the gross national product accounts. Little change in the net export position is expected this year.

Government Demand

Expanded Government demands on the economy have been a major factor in recent years in the growth of economic activity and productive capacity. This expansion was particularly pronounced in those durable goods industries producing defense-related materials. Although total Government expenditures continued to rise slowly during 1953, outlays for major national security programs have declined since the second quarter. Other Federal expenditures rose during 1953, primarily because of the heavy movement of farm products under price support programs in the last half of the year. Another offset was the continued rise in expenditures for goods and services by State and local Governments.

National Security Outlays Declining

Government outlays for national security programs--mainly Defense Department, foreign military and economic aid, and atomic energy development--reached a peak annual rate of 53.5 billion dollars in the second quarter of 1953, then began to decline. In the first quarter of 1954 they were estimated at an annual rate of 47 billion dollars, down 6.5 billion from April-June 1953. The reduction occurred mainly in the procurement of durable goods. According to the Federal budget for fiscal 1954-55, outlays for defense programs may decline a little further by the end of the year. The new budget provides for increased expenditures for foreign military programs and for atomic energy development.

Other Federal outlays for goods and services probably will average somewhat smaller in 1954 than last year. Some reduction in the level of Commodity Credit Corporation price support activity from the high rate in the fall of 1953 is in prospect if cotton and wheat production is reduced as presently indicated.

Table 4.- Government expenditures for goods and services,
first quarter 1953 to first quarter 1954

Item	Seasonally adjusted annual rates				
	1953				1954
	I	II	III	IV	I 1/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Government expenditures :					
for goods and services :	83.4	85.0	85.5	85.7	82.5
Federal..... :	58.5	60.5	60.4	59.5	55.5
National security..... :	51.6	53.5	52.1	50.0	47.0
Other Federal less :					
government sales..... :	6.9	6.9	8.3	9.5	8.5
State and local..... :	24.9	24.6	25.2	26.3	27.0

1/ Preliminary estimates by Council of Economic Advisers.

State and Local Spending Rises

In recent years expenditures for goods and services by State and local Governments have increased nearly 2 billion dollars a year and in 1953 totaled 25.2 billion. However, there is still a very large backlog of demand for schools, highways, hospitals, sewer and water facilities. These types of construction have in general not kept pace with the growth in requirements resulting largely from population shifts and high birth rates. Expenditures by State and local Governments are expected to continue to rise. Although there is a wide variation, the financial position of State and local governments in general is fairly favorable. Total tax revenues, much of which are from property taxes, are expected to continue high in 1954. Uncommitted working capital and security holdings are also relatively large in some cases.

Output, Sales, and Inventories

Total retail sales seasonally adjusted reached a high in February 1953, continued to hold up well until July, then declined and for the first quarter of this year averaged 5 percent below the peak. Manufacturers' sales, at a record high in July 1953, averaged in early 1954 about a tenth below the peak. Production was curtailed in an effort to halt the accumulation of inventories as sales declined, and the Federal Reserve Board index of industrial production in March this year was 10 percent below the July peak. Despite the cut in production, business inventories continued to mount, and by the end of September were at an all-time high of 82 billion dollars, up nearly 5 billion from the beginning of the year. Inventories have since declined.

Durable Goods

Retail sales of durables in the first three months of this year were down 11 percent from the second quarter of 1953, due primarily to a decline in automobile sales. A 13-percent drop in manufacturers' deliveries reflected sizable declines for most groups of durable manufacturers. Production of durable goods was reduced in order to halt inventory accumulation, and in the first quarter averaged 12 percent below the record high in July and August 1953. Output was reduced in each major industry group, but primary metals were off a fifth, machinery and furniture 13 percent, and fabricated metals 11 percent. Nevertheless, retailers and manufacturers' stocks at the end of February each totaled only slightly below the highs of last fall. Since sales declined, the ratio of stocks to sales rose during 1953 and was near all-time highs at the end of February.

New orders received by durable goods manufacturers also fell off rapidly in the latter part of 1953, and by January they were down about a third from the second quarter average. However, new orders picked up 8 percent from January to February. Orders for defense materials, particularly hard goods have been cut back sharply.

Table 5.- Durable goods: Sales, production and inventories, monthly average by quarters, first quarter 1953 to first quarter 1954, seasonally adjusted data

Item	Unit	1953				1954
		I	II	III	IV	I 1/
Retail:	Million					
Sales.....	dollars	5,172	5,127	4,960	4,887	4,582
Inventories.....	do.	10,116	10,514	10,758	10,656	10,584
Stock-sales ratio.....	Ratio	1.96	2.05	2.17	2.18	2.31
Manufacturers:	Million					
Deliveries.....	dollars	12,763	13,237	12,946	11,940	11,473
Inventories.....	do.	24,781	25,686	26,713	26,905	26,132
Stock-sales ratio.....	Ratio	1.94	1.94	2.06	2.25	2.28
Production.....	1947-49-100:	155	155	155	146	138
Order backlogs (unadjusted)...	Mil. dol.	72,740	70,830	66,856	58,327	52,948

1/ Preliminary, based on incomplete data. Inventory figures are as of the end of February 1954.

Nondurable Goods

Retail sales of nondurable goods in the first quarter of 1954 were off only 1 percent from the second quarter of 1953. But manufacturers' sales were down 4 percent, with substantial reductions for the textile, rubber, chemical, and paper and printing industries and smaller declines in most other industries. Only manufacturers of food and beverages reported larger sales.

In response to reduced sales and large inventories in some industries, output of nondurable goods was reduced in all industry groups and in the first quarter was 7 percent below the second quarter average last year. Output of textiles and apparel was down 16 percent and rubber and leather products 14 percent. Manufacturers' and retailers' stocks at the end of February were down only a little from the 1953 high in July-September. Ratios of stocks to sales were at or near the highest levels since January 1953 for manufacturers of textiles, tobacco, leather products, chemicals, and petroleum. No major industry reported inventories that appeared to be low relative to sales.

Table 6.- Nondurable goods: Sales, production and inventories, quarterly average, first quarter 1953 to first quarter 1954, seasonally adjusted data

Item	Unit	1953				1954 I 1/
		I	II	III	IV	
Retail:	Million					
Sales	dollars	9,192	9,245	9,214	9,139	9,159
Inventories	do.	11,619	11,865	12,056	11,950	11,837
Stock-sales ratio	Ratio	1.26	1.28	1.31	1.31	1.29
Manufacturers:	Million					
Deliveries	dollars	12,235	12,781	12,658	12,524	12,280
Inventories	do.	19,788	19,980	20,107	19,987	19,937
Stock-sales ratio	Ratio	1.62	1.56	1.59	1.60	1.62
Production	1947-49=100	118	122	119	115	113
Order backlogs (unadjusted) ..	Mil. dol.	3,264	3,329	3,152	2,580	2,366

1/ Preliminary, based on incomplete data. Inventory figures are as of the end of February 1954.

Employment Lower

Total civilian employment, as estimated by the Bureau of Census, was at an all-time high of nearly 63 million in the third quarter of 1953 and by the first quarter of 1954 was down by 5 percent. Most of the drop resulted from the seasonal decrease in farm employment, but nonagricultural employment also was lower. However, when account is taken of seasonal variation, total employment was down only slightly.

Nonagricultural employment, reported by the Bureau of Labor Statistics, in the first quarter of 1954 was more than 2 percent below July-September 1953 after seasonal adjustment. The number of production workers on manufacturing payrolls was down nearly 8 percent, reflecting a drop of 9 percent for producers of durable goods and 5 percent for non-durable producers. Employment also was down in mining, transportation, and construction.

Unemployment was below 2 million in every month in 1953. In the third quarter the Bureau of Census estimated the number of workers looking for jobs at 1.3 million, or 2 percent of the civilian labor force. However, unemployment increased rapidly in December and the first three months of this year, averaging 3.5 million in the January-March period. This was 5.5 percent of the civilian labor force, but still was below the 7.6 percent of the labor force in February 1950 when a postwar-high of 4.7 million workers were unemployed.

Commodity Prices

Indexes of prices for consumer goods and other final products increased slightly over the past year, even though economic activity was reduced considerably in the last half of 1953 and the early months of 1954. Prices paid by consumers in urban areas for goods and services in early 1954 averaged 1 percent above the same period of 1953. Rural living costs were up by about the same amount. The index of wholesale prices fluctuated within a range of 1 percent during the year, and in the first three months of this year was slightly above the same months of 1953. Farm product prices drifted about 1 percent lower, and prices for processed foods were about the same as the first quarter last year.

Table 7.- Index of wholesale prices, selected groups, first quarter 1953 to first quarter 1954

(1947-49=100)					
Group	1953				1954
	I	II	III	IV	I
<u>Wholesale prices</u>					
All commodities.....	109.8	109.6	110.8	110.0	110.7
Farm products.....	99.1	96.8	97.5	94.5	98.0
Food, processed.....	104.2	103.6	105.6	104.3	105.4
All other than farm and food.....	113.2	113.6	114.8	114.6	114.4

Industrial Product Prices

Wholesale prices for all other commodities (excluding the farm and food group) rose by more than 1 percent during the first 8 months of 1953. Since then prices have averaged steady, and are now only fractionally below the high of last August. This occurred while industrial production declined about 10 percent as deliveries were reduced and inventories in many industries were worked down. As a result, wholesale prices for these commodities averaged about 1 percent higher in the first quarter of 1954 than a year earlier.

This apparent overall stability has camouflaged a number of price changes, both up and down, that have taken place. Prices of metal and metal products in the first quarter of 1954 averaged 2 percent higher than a year earlier, reflecting substantially higher prices for iron ore, finished and semifinished steel, and hardware. There were also moderate increases for many fabricated metal products and many other groups of industrial products. However, prices were down substantially for metal scrap, semifinished nonferrous metal products, and hides and skins. They also were moderately lower for cotton products, lumber, and plywood.

Consumer Prices Creep Up

The index of retail prices in urban areas inched upward from February to October last year, and in the past 6 months averaged close to the record. Prices for food and apparel showed the usual seasonal changes, but moved within narrow ranges. Rents and charges for medical care increased steadily throughout 1953 and so far this year, averaging 5 and 4 percent higher in the first three months of 1954 than in the same period of last year. Charges for other goods and services also averaged slightly higher. Prices paid by farmers for items used in family living in the early months of this year averaged 1 percent above a year earlier. Average prices for food and tobacco, clothing, household operation, autos and auto supplies, and building materials were higher, but prices paid for household furnishings were about the same to a little lower than in early 1953.

THE AGRICULTURAL SITUATION

Agricultural prices in the first quarter averaged less than 3 percent below a year earlier, and cash receipts from marketings of farm products were down by about the same percent. These declines from a year ago were due primarily to large carryover stocks and record marketings of farm products. Domestic demand has been sustained by continued high consumer incomes, and exports of U. S. farm products have been near the level of the 1952-53 marketing year. Prices paid by farmers for commodities, interest, taxes and wage rates in early 1954 averaged the same as the opening quarter of last year. With lower prices received, the parity ratio declined 3 points over the year to 91 in the first quarter of this year.

The value of real estate and other physical assets on farms declined during 1953 reflecting lower real estate values and reduced prices for livestock. Estimates indicate that farmers financial assets in early 1954 were in general about the same as a year earlier and that short term debts were down a little. With prospects for farm incomes this year slightly below 1953, farm land values are likely to decline further in 1954.

Domestic Demand at High Level

Domestic demand for food and other agricultural products has been maintained at a high level during 1953 and so far this year. Personal income after taxes has continued near the record level reached last year. Retail sales by food stores in the first 3 months of this year were about the same as a year earlier and down only slightly from mid-1953.

Even if the rather moderate declines indicated for business investment and Government demand materialize, consumer income available after taxes in 1954 is likely to shade off only gradually from the near-record first quarter level. Domestic demand for food also is expected to hold up well. With prospects for continued large supplies of food, per capita consumption this year is likely to be about the same as in 1953. Retail food prices may average close to the 1953 level. But food marketing charges are expected to continue high and the farmers' share of the consumer food dollar may not change much from the relatively low current level.

Major Commodities in Large Supply

Carryover stocks of wheat, corn, cotton, fats and oils, dairy products and some other commodities are either record or near record in size. In addition, prospects for 1954 point to a total output near that of last year if growing conditions are not unfavorable. Stocks of wheat by mid-1954 may exceed 850 million bushels, compared with 562 million in July 1953. More than 90 percent of the larger carryover will be held by the Commodity Credit Corporation under price support programs. Stocks of cotton may increase 4 million bales by next August from the 5.6 million on hand last August; possibly as much as 80 percent will be held by CCC under loan or in inventory. The carryover of corn by next October probably will total over 900 million bushels, compared with 769 million bushels last October, with three-fourths or more of the carryover held or under loan to CCC. Stocks of fats and oils will continue large but they may be down a little from the beginning of the marketing season last fall. Commodity Credit Corporation holdings of cottonseed oil and linseed oil will continue large. Stocks of dairy products on April 1 totaled 11 billion pounds, on a milk equivalent basis, about double a year earlier. Most of these stocks were held by CCC in the form of butter, cheddar cheese and nonfat dry milk solids.

Production Prospects for 1954

Another large output of farm products is in prospect for 1954 if weather conditions are average and if farmers carry out their March 1 planting intentions. The fulfillment of these plans will depend to some extent upon the way farmers react to acreage allotments, changes in economic conditions, and to announced planting intentions of farmers in general. Drought conditions continue serious in the middle and southern portions of the great plains. Rains were fairly general in April in the upper Mississippi and Ohio Valleys providing adequate surface moisture, but subsoil moisture reserves are still relatively short. Crop prospects in 1954 will depend more than usual on timely spring and summer rains.

For the 16 crops covered in the March 1 planting intentions report, a total of more than 282 million acres was indicated, 11 million more than were planted in 1953. The intended corn acreage was only slightly below 1953. The combined winter and indicated spring wheat acreage was down around 15-1/2 million acres or about a fifth. Potato acreage was indicated at more than a tenth below 1953. Cotton acreage, not reported on March 1, will be down by 4 million acres if farmers plant their acreage allotments. Changes in planting intentions for sweetpotatoes, peanuts and tobacco were small. But increases were substantial for most small grains, other than wheat, sorghum grains, oil crops, rice, dry beans

Production of livestock and livestock products is likely to be a little larger this year than in 1953. A continued large output of meat animals is in prospect with considerably more hogs in the latter part of this year. Production of both dairy and poultry products is expected to increase from 1953.

Agricultural Exports

Foreign takings of agricultural products in the 1953-54 marketing year are continuing near the 1952-53 rate. Current prospects for exports of farm products in the remainder of calendar 1954 do not suggest any reduction from current rate, and foreign takings may increase some for cotton and possibly some other commodities. Foreign stocks of cotton are currently relatively low.

Exports of agricultural products in the first 7 months of the 1953-54 marketing year were about 3 percent below the same period a year earlier. For the year, they are expected to total near the 2.8 billion-dollar level of 1952-53. Larger foreign supplies of wheat and corn are contributing to smaller exports of these grains. A moderate improvement in cotton exports is expected because of larger consumption abroad and smaller foreign supplies. With relatively low prices, tallow and grease exports are running above a year earlier. Record exports of soybeans reflect the short crop in Japan and reduced stocks in Manchuria. Increased tobacco exports are partly due to the United States plan to accept local currencies of the United Kingdom, West Germany, and Finland in payment for tobacco exports to these countries in excess of normal takings.

Table 8.- Value of United States exports of agricultural products, specified periods, 1952 and 1953

Period	Cotton	Tobacco	Other	Grain		Total
	in-cluding linters	unmanu-factured	agricul-tural non-foods	and prepa-rations	Other agri-cultural exports	
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
<u>Years beginning July 1</u>						
1952-53 (total)	576	285	1/ 253	1,170	531	2,815
July-Sept. 1952	82	69	45	258	124	578
Oct.-Dec. 1952	219	78	85	340	139	861
Jan.-Mar. 1953	147	60	65	336	128	736
Apr.-June 1953	128	78	58	236	140	640
1953-54						
July-Sept. 1953	93	81	46	244	167	631
Oct.-Dec. 1953	153	119	134	233	184	823

1/ The seven principal export items or groups which accounted for 83 percent of the total 1952-53 value of \$253 million were: (in millions of dollars) (1) Soybeans 92, (2) Inedible tallow 50, (3) Hides and skins except furs 28, (4) vegetable oils and fats, crude and/or inedible 23, (5) Hops 10, (6) Field and garden seeds 5, (7) Flaxseed 1.

Foreign Dollar
Position Improved

Foreign holdings of gold and dollars continued to gain in 1953, rising $12\frac{1}{2}$ percent to a record 23 billion dollars by the end of the year. About 90 percent of this increase was in Western Europe and the United Kingdom, with U. K. holdings rising by 30 percent.

The rise in foreign gold and dollar holdings in 1953 was facilitated to a considerable extent by U. S. Government transactions. In addition to grants and loans for foreign economic aid, the U. S. purchased goods and services abroad for military use, including payments for maintenance of U. S. foreign military establishments and offshore purchases of military equipment for use by foreign countries. These military purchases abroad, which contributed directly to increased foreign dollar holdings, amounted to 2.6 billion dollars in 1953 and are expected to be larger in 1954.

Prices Received by Farmers
Slightly Lower

The index of prices received by farmers for all farm products in the first quarter of this year averaged almost 3 percent below the same period of 1953. Crop prices averaged 5 percent lower, reflecting generally larger supplies. Declines of more than 60 percent were reported for potatoes, 7 percent for oil bearing crops and commercial vegetables, and moderately lower for food grains and feed grains. Cotton prices were about the same as a year ago. Although supplies of major crops were large, the heavy movement under price support reduced commercial stocks and moderated declines over the year. Fruit and tobacco were the only major groups reporting higher prices than a year ago.

Table 9.- Indexes of prices received and paid by farmers by quarters, first quarter 1953 through first quarter 1954

Item	(1910-14=100)				
	1953				1954
	I	II	III	IV	
All farm products	265	260	257	251	258
Crops	252	246	235	234	239
Livestock and products	277	271	277	266	275
Prices paid, interest, taxes and wage rates	282	279	278	277	282
Family living items	268	270	271	270	271
Production items	262	254	249	248	255
Parity ratio	94	93	92	90	91

Prices of livestock and products were down only 1 percent from January-March 1953. Meat animal prices averaged 3 percent higher. With smaller pig crops last year and in the fall of 1952, hog prices were up 30 percent. Reflecting the record cattle and calf slaughter in 1953, prices for beef cattle were off 13 percent. Calves and sheep also were down substantially and lambs, moderately from the opening quarter of 1953. Dairy product prices declined 7 percent as milk production rose to a record annual rate. Prices for poultry and eggs averaged 5 percent lower, primarily because of lower broiler prices.

Supports Bolster

Farm Prices

The large movement of many farm products under price support programs has been an important factor in keeping prices from dropping farther than they did over the past year. Price support expenditures on 1953 crops through February 28, this year totaled 3,677 million dollars, 1,416 million more than the total for 1952 crops through February 28, 1953. Investment by the CCC, including inventory and pledges for loans, totaled 6,252 million dollars as of the end of February, more than double that of a year earlier. Almost 90 percent of the dollar volume on 1953 crops was accounted for by price support programs on upland cotton, wheat, corn, milk and butterfat, tobacco and soybeans.

Total movement of 1953 crop wheat under price support was 552 million bushels, compared with 462 million from the 1952 crop. By April 2, more than 6.7 million bales of upland cotton, had moved under price support programs, compared with a little more than 2 million in the same period last year. Through March 15, 312 million bushels of corn, compared with 270 million from the 1952 crop, went under loan or purchase agreement. Quantities of 1953 oats, sorghum grain and barley placed under price support programs also were larger. In the year ending March 31, the CCC purchased (net of contract resales) 376 million pounds of butter, 371 million pounds of cheese, and 669 million pounds of dried milk. In the previous marketing season purchases totaled 143 million, 75 million, and 210 million respectively. Growers placed 274 million pounds of 1953 crop tobacco under loan, 15 million less than from the 1952 crop. With a substantial part of present stocks of many farm products now under CCC price support programs, withdrawals of some commodities are being made, and more may be necessary in order to maintain working stocks.

Price supports have been announced for 1954 crops of a number of commodities. For the basic crops--wheat, cotton, corn, some types of tobacco, rice and peanuts--support prices will continue at 90 percent of parity. Purchase prices for dairy products were reduced from 90 percent to 75 percent of parity effective April 1. Announced support prices for oats, barley, sorghum grains, flaxseed, soybeans, and dry edible beans are also somewhat lower than those for the 1953 crops. On March 15, prices received by growers for soybeans, cotton, dry edible beans, and rice were above average support levels. But prices averaged lower for many other commodities--most important of which were wheat, corn, barley, rye, cottonseed, peanuts and flaxseed. Prices for oats and sorghum grains were near support levels.

Table 10.- Comparison of average prices received for selected commodities with parity prices and announced supports for 1953 and 1954 crops

Commodity	Unit	Season average price		Announced support		March 15, 1954	
		1952-53	1953-54 1/	1953 crops	1954 crops	Average price received	Parity price
Tobacco:							
Flue-cured	Cts. per lb.	50.3	52.7	47.9		---	53.2
Burley	do.	50.3	52.7	46.6		---	51.5
Food grains:							
Wheat	Dol. per bu.	2.09	2.01	2.21	2/ 2.20	2.09	2.49
Rye	do.	1.73	1.19	1.43	1.43	1.14	1.71
Rice	Dol. per cwt.	5.87	5.24	4.84	2/ 4.92	5.18	5.49
Feed grains:							
Corn	Dol. per bu.	1.52	1.45	1.60	2/4/ 1.62	1.44	1.81
Oats	do.	.786	.734	.80	.75	.781	.880
Barley	do.	1.35	1.12	1.24	1.15	1.14	1.37
Grain sorghums	Dol. per cwt.	2.80	2.25	2.43	2.28	2.40	2.56
Oilseeds:							
Cottonseed	Dol. per ton	69.60	52.80	54.50	54.00	50.50	72.20
Soybeans	Dol. per bu.	2.72	2.54	2.56	2.22	3.22	2.83
Peanuts	Cts. per lb.	10.9	11.0	11.88	12.15	11.1	13.5
Flaxseed	Dol. per bu.	3.72	3.47	3.79	3.14	3.60	4.53
Dry edible beans	Dol. per cwt.	8.67	8.48	7.82	7.24	8.02	9.08
Cotton:							
American Upland	Cts. per lb.	34.59	32.5	2/30.80	3/31.25	31.05	34.97
Wool (grease basis)	Cts. per lb.	54.2	54.7	53.1	2/52.1	52.1	59.1

1/ Preliminary estimates.

2/ Minimum support prices. The level of supports will be raised if 90 percent of parity at the beginning of the marketing season is higher.

3/ Average for Middling 7/8 inch cotton. The national average support for Middling 15/16 inch cotton is 32.70 cents for the 1953 crop.

4/ Price supports in the commercial corn producing area will reflect the full 90 percent level, but because corn acreage allotments are in effect in the commercial areas in 1954, the rates in the noncommercial areas will be based on 75 percent of the rates determined on the basis of 90 percent of parity.

Price Prospects for 1954

Prices received by farmers may decline slightly over the coming year. Reduced commercial supplies of wheat, cotton, corn and some oils and oilseeds will help to maintain crop prices in the next few months. With continued large cattle slaughter but a smaller hog slaughter than a year earlier, meat animal prices on the average are expected to be fairly well maintained in the second quarter. Some further price declines may develop during the summer and fall months depending to a large extent on weather conditions and the adequacy of storage facilities. Smaller wheat and cotton crops are in prospect. But

supplies of these crops will continue large and, with increased output indicated for many other crops, crop prices are likely to continue below 1953. However, price support programs on 1954 crops will cushion the impact of large supplies. Barring drought, prices of meat animals are expected to be fairly well maintained. But larger farrowings of pigs in the early part of this year are likely to result in somewhat earlier price declines for hogs. Prices of dairy and poultry products are expected to continue below 1953 reflecting large supplies and reduced price supports on dairy products.

Prices Paid by Farmers

The index of prices paid by farmers including interest, taxes and wages in the first quarter of 1954 averaged the same as those months of a year earlier, after having been slightly lower during the last three quarters of 1953. Prices paid for production items declined 5 percent from the first three months of 1953 to the fourth quarter, largely because of substantial price declines for feed, livestock, and seed. They rose nearly 3 percent from the final quarter of 1953 to the first quarter this year as prices for livestock gained 15 percent and feed, 4 percent. However, prices paid for production items in the first quarter still averaged 3 percent below the same period of 1953, with feed, livestock, and seed down about 6 to 9 percent. Prices paid for motor supplies and farm machinery were slightly higher, but motor vehicles and farm supplies were a little lower. Prices for fertilizer and building and fencing materials averaged about the same as in early 1953. Interest costs on farm real estate were up 9 percent and taxes nearly 5 percent. Wage rates averaged about 2 percent higher than a year earlier during the winter but were slightly lower than a year earlier on April 1. Prices paid for family living items were about 1 percent higher than in the first three months of 1953.

With prices received by farmers down 3 percent from the first quarter of 1953 and no change in the index of prices paid, including interest, taxes and wage rates, the parity ratio dropped 3 points to 91 in the first quarter. No big change is expected this year in average prices paid by farmers for industrial products. If farm product prices decline slightly, the parity ratio in 1954 is expected to continue a little below 1953.

FARM INCOME

Farmers' gross income, expenses, and realized net income may be a little lower in 1954 than in 1953. With the volume of farm marketings possibly slightly reduced from last year and with prices not quite as high, farmers' cash receipts from marketings and their realized gross income probably will be down a little from 1953. Farm production costs will also be lower this year, but it is not expected that they can be reduced enough to fully offset the expected decline in gross income. Consequently, realized net income may be down from last year's figure of 12.8 billion dollars, possibly as much as 4 or 5 percent. However, if drought conditions in the Southern and Central Great Plains should widen, the drop in income could be more severe.

Marketings of livestock and livestock products will remain at a high level in 1954, and may exceed last year's record volume. Similarly, cash receipts from livestock and products may, on the whole, compare rather favorably with last year. Somewhat lower receipts from dairy products, even though the increased flow of milk will partly offset the lower price support level this year, will likely be offset by increases for other items including hogs and cattle. On the other hand, crop marketings, assuming average yields, will probably be from 5 to 10 percent smaller than last year, and total crop receipts may be down in about the same proportion, with most of the decline in such crops as cotton and wheat whose acreage has been curtailed.

Farmers are likely to spend less on purchased feed and seed in 1954 than they spent in 1953. Some other expense items may also be down slightly, including fertilizer and hired labor. But depreciation charges and expenditures on purchased livestock, motor-vehicle operation, property taxes, and farm mortgage interest will probably equal or exceed those of last year.

Cash receipts from farm marketings in the first quarter of 1954 totaled 6.6 billion dollars, down 3 percent from last year. The total volume of marketings was about the same as a year ago, but prices averaged slightly lower. First-quarter livestock receipts of 4.1 billion dollars and crop receipts of 2.5 billion were both a little below the first quarter of 1953.

The preliminary estimate of cash receipts in March is 2.0 billion dollars, up slightly from February but slightly lower than a year earlier. March receipts from livestock and products, are estimated at 1.4 billion dollars, crop receipts at 0.6 billion.

LIVESTOCK AND MEAT

Livestock slaughter and meat output this year are continuing at the high level of 1953. To date, more beef and less pork have been produced than a year ago. Lamb output has been about the same.

The rate of cattle slaughter the rest of this year is expected to average no greater and possibly a little less than last year, unless the drought becomes so severe as to add a great deal to marketings. Hog slaughter, on the other hand, is expected to shift from its January-March reduction of 17-18 percent below 1953 to equal last year's rate by mid-summer and to be larger through the fall. The upturn in hog slaughter is indicated by a March report for 6 Corn Belt States. It showed a big expansion in winter-farrowed pigs and prospects for a greater increase in spring farrowings than the 6 percent rise planned last fall.

Prices of hogs, lambs and top grades of steers in April were higher than last April, while prices of cattle of grades Commercial and below were moderately lower. Prices this year have remained fairly stable, whereas a year ago they were declining sharply. Top grade steers may show some seasonal decline this spring but prove fairly stable for the year as

a whole. Prices for most other classes of meat animals will probably decline seasonally in the second half of the year. Cattle off ranges are expected to sell for roughly the same prices as last summer and fall. Lamb prices, also dropping seasonally, will be affected by the abundant supply of beef. Prices of hogs are likely to start downward earlier than usual. Fall hog prices probably will be somewhat below last fall. However, the hog-corn price ratio is likely to remain above average.

Hog prices will likely continue to trend downward in 1955, as production and marketing expand. Following a relatively high hog-corn price ratio the past year, the 1954 fall pig crop is expected to be 5 to 10 percent larger than last fall's crop. A further increase is likely next spring. How much production increases and prices decline will be governed in large part by the size of the 1954 corn crop. An average or smaller corn crop would tend to limit the increase in hog production. A very large crop would probably cause a considerable expansion, as only a small part of all corn produced would be eligible for loan at the full rate of 90 percent of parity, and much of the "free" corn would be fed to hogs.

DAIRY PRODUCTS

Wholesale and retail prices for milk and most dairy products have declined generally with the reduction in support levels, and will be significantly below a year earlier the rest of 1954. The lower retail prices will tend to result in some increase in consumption per person. With the gain in population, total use probably will rise at least 2 percent or 2 billion pounds, milk equivalent, over the 116 billions of 1953. Although prices to farmers for milk will be well below average compared with feed concentrate prices, the annual rate of production of milk will be high through the pasture season, assuming normal weather. Such ratios may discourage further increases later on but milk output probably will reach a new record of around 124 billion pounds for 1954 as a whole.

The declines in purchase prices of the Commodity Credit Corporation from last marketing year are equivalent to about 10 percent at retail for butter and somewhat smaller percentages for the other manufactured items. In many cases, the initial declines at retail for butter were proportionately greater than the reduction in supports. Manufactured dairy products not being purchased under the program have been declining more gradually. In early April wholesale prices of dry whole milk and evaporated milk were 13 percent and 8 percent below a year earlier, respectively, but condensed milk had shown no decline.

The average drop in retail price of milk for the country as a whole will be no more than 1 cent per quart as a direct result of the decline in support. Some of these reductions took place on April 1, others will not take place until May 1 or possibly later. The extent and timing of milk price changes will vary considerably among cities, since prices for the different markets are determined on a local basis.

Because of the increase in production expected this year, cash receipts from farm sales of dairy products will decline by a smaller percentage than prices. Receipts will be around 4 billion dollars compared with 4.4 billions in 1953.

To support dairy prices in the 1953-54 marketing year, the Commodity Credit Corporation bought (net of contract resales) 376 million pounds of butter, 371 million pounds of cheese and 669 million pounds of nonfat dry milk. These products are equivalent to 11 billion pounds of milk, 9 percent of the 122.5 billion pounds produced in that 12-month period.

EGGS AND POULTRY

Egg prices declined in March and in early April were at the lowest point so far this year. This spring's price decline came relatively late, probably because of a smaller than usual rise in egg production in the winter of 1953-54. After February 1, however, the rate of lay per bird rose abruptly, and on March 1 the rate of lay was 5 percent above a year earlier. Also there were 3 percent more layers on farms this March.

The U. S. average price received by farmers in mid-March was 38.7 cents per dozen, compared with 44.7 cents a year earlier, and 34.0 cents in March 1952. Past experience indicates that with large supplies there is little likelihood for a substantial rise before the middle of the year. In the last 10 or 15 years, the average farm price for eggs has seldom recovered significantly until production declined seasonally around mid-year. Since 1940, the greatest increase between the mid-month low price of the spring, and the highest price reached before July was 6.8 cents in 1941. This was an unusual year on account of Government programs for Lend-Lease procurement. The rise of 3.9 cents per dozen from February to mid-June 1953 was the largest for any spring since 1941.

Egg production in 1954 is expected to continue above last year. Hatchery activity has continued ahead of last year even since the egg price decline. This indicates that chickens raised this spring for laying flock replacement will exceed the 615 million of 1953. The Agricultural Marketing Service estimated that through March, 18 percent more chicks than a year earlier had been started as replacements. The April 1 number of young chickens on farms was 19 percent above a year earlier.

Broiler prices in March and early April continued near the low levels to which they declined in the last few weeks of 1953 because of continued large supplies. At 23.4 cents per pound in mid-March, U. S. average price received by farmers was almost 5 cents below a year earlier. Nevertheless, weekly placements of chicks in specialized production areas continue at near-record high rates. On the basis of chicks placed and eggs in incubators in mid-April, broiler supplies will continue large through July.

The 1954 turkey crop is likely to approach and may exceed the record crop of 1952. Through March, hatchery output included 9 percent more heavy-breed turkey poults than in the same months of 1953, and 37 percent more light breed poults. While rates of increase are unlikely to continue so large during the entire season, they indicate that 1954 output will be far above the 1953 volume of 56.5 million turkeys and close to the 1952 output of 60.9 million birds.

FATS, OILS AND OILSEEDS

Commercial supplies of food fats except butter are likely to be tight in the latter part of the present crop year. This may result in some upward pressure on prices of edible oils. Total supplies of food fats, excluding lard, are large but a substantial part is owned by CCC in the form of cottonseed oil and butter. CCC's selling price for its cottonseed oil is about a cent above the current market level. Both domestic use and exports of food fats are expected to be greater than a year earlier. A substantial portion of the exports is being financed by Government programs.

Total disappearance of inedible tallow and greases in 1953-54 is expected to be greater than a year earlier. Exports are at a record rate and domestic use also is above last year's level. Prices have moved up sharply since the beginning of the crop year last October 1 despite record output. Domestic disappearance of linseed oil is not expected to differ much from the year before but CCC has sold large quantities for export at prices well below current domestic market levels.

Based upon farmers' intentions to plant as of March 1, and other indications, it appears that supplies of most fats and oils will be plentiful in the 1954-55 marketing year. Stocks of food fats, including those owned by CCC, at the beginning of the 1954 crop year may be slightly less than last year's peak but output is expected to reach a new high. A sharp increase in production of soybean oil (including oil equivalent of soybeans exported for crushing) and a moderate rise in lard over the year before will more than offset reduced output of cottonseed oil. Little change in butter production is expected.

More lard and grease are probable in 1954-55 mainly because of an increase in the 1954 pig crops and expectations of larger yields per hog slaughtered. Output of tallow will continue high since cattle slaughter is likely to be at least as large as in the current crop year.

While total stocks (including those owned by the CCC) of flaxseed and linseed oil at the beginning of the 1954 crop year will be equal to about a year's domestic use, commercial stocks will probably be at a working minimum. In addition, farmers intentions as of March 1 suggest that the 1954 flaxseed crop may be the largest since 1948 and well in excess of probable domestic disappearance.

CORN AND OTHER FEEDS

A larger feed grain acreage than in 1953 and a near-record carry-over are in prospect for 1954. The total supply of feed grains for 1954-55 would be a little larger than in 1953-54 and close to the 1950-51 record, if farmers carry out their March 1 planting intentions and yields by States are equal to the 1948-52 averages. The small reduction in corn acreage in prospect in the Corn Belt is nearly offset by prospective increases in other areas. Substantially larger acreages of oats, barley, and sorghum grains are in prospect.

Farmers in the North Central region indicated their plans to reduce corn acreage only about 2 percent. However, the actual reductions may be greater than this, since many farmers did not have their individual farm allotments when they reported their intentions. If the reduction in this area is not greater than the farmers' intentions indicate, it would mean that participation in the 1954 acreage allotment program will be considerably less than in 1950. In this event, most of the 1954 corn would not be eligible for price support. This probably would result in corn prices again falling well below the support level at harvest time, especially if the crop is large. The 1954 support price for farmers planting within their acreage allotments in the Commercial area will be based on a national average rate of not less than \$1.62 per bushel, 2 cents higher than in 1953. Larger acreages of oats, barley, and sorghum grains, along with 6 or 7 percent lower support prices, indicate that prices of these grains will be lower this summer than last.

Market receipts of corn have been much below average since the heavy movement last October and November, while a large volume of corn has been going under price support. Through March 15 of the 1953-54 loan period, which ends May 31, farmers had placed 312 million bushels of 1953 corn under price support. In addition over 500 million bushels of old corn remained under loan or in CCC ownership. On April 6 the Department of Agriculture announced that the CCC-owned 1948 and 1949 corn, totaling approximately 170 million bushels, would be offered for immediate sale at the local market price, but not less than 20 cents per bushel below the 1953 loan rate. Corn prices probably will be relatively stable during the next few months. The large percentage of corn stocks under loan and owned by CCC will give support to corn prices, while sales of old corn will limit the extent of any increase.

The general levels of feed grain and high-protein feed prices in early April were about the same as a year earlier, and somewhat above the low levels reached last fall. Although the average price received by farmers for corn has advanced about 10 cents per bushel since last fall, it is still about 15 cents below the national average support price. Soybean meal prices continue high relative to most other feeds and in early April were about \$20.00 per ton higher than a year earlier, reflecting the relatively short supply this year.

WHEAT

The winter wheat crop was forecast at 678 million bushels as of April 1. The first estimate of spring wheat production will be made June 10. However, if farmers plant the acreage indicated by their March 1 intentions, and yields are average, the crop would be about 225 million bushels. This figure includes an allowance for some increase in durum wheat acreage as authorized under recent legislation. On this basis, total production would be around 900 million bushels, about a fifth smaller than in 1953. With the carryover on July 1 expected to exceed 850 million bushels, supplies for 1954-55 will be record large. A crop of about 900 million bushels may be about equal to likely domestic disappearance and exports.

Prices for the 1954 wheat crop will be supported at 90 percent of the parity price to be set at the beginning of the 1954-55 marketing year, but not less than a national average of \$2.20 per bushel, as announced on October 8, 1953.

Cash wheat prices, except for those of soft red winter and amber durum, are currently near the highest levels of the 1953-54 marketing year. The large quantity of 1953 wheat placed under the support programs, together with quantities of old wheat owned by CCC, have greatly reduced the supply in regular channels of trade. Prices were high enough for farmers to have redeemed 22 million bushels by mid-March, mostly of high protein hard spring wheat. Prices of such wheat have been above loan levels, and prices of amber durum have been much above the loan. Prices of soft wheats on the other hand, have been relatively weak because of very large supplies of this type.

FRUIT

Consumer demand for fruit is expected to hold up well this spring and summer. Processor demand for Florida Valencia oranges is strong this spring. With improved quality of these oranges and heavier demand from processors in late March and early April, grower prices advanced moderately. Factors favoring further increases in price are stronger demand for United States oranges by European importers as a result of heavy freeze damage to the crop in Spain, issuance of procurement authorizations by the Foreign Operations Administration under which the United Kingdom is to purchase fresh oranges as well as other fruits from the United States, and the reduction of the remaining supplies of Florida oranges by April 1, 1954 to about the same quantity as a year earlier. Prices for California oranges are expected to continue above 1953 levels as a result of smaller production. With heavy remaining supplies for this late in the season, prices for Florida grapefruit probably will continue under 1953 levels. Exports of fresh and processed oranges and grapefruit are expected to continue heavier this spring than a year earlier.

On April 1, 1954, cold-storage stocks of apples were 3 percent smaller than a year earlier, while those of pears were more than twice as large. As usual for this time of year, the heaviest remaining stocks of apples and pears were in the Pacific Coast States. In Washington, stocks of apples were considerably heavier than a year earlier. The 1953 crop in that state was about 6 percent larger than the 1952 crop. Grower prices for apples in most states in March 1954 averaged under those of a year earlier. Although terminal auction prices for D'Anjou pears increased moderately during March, in early April they were still considerably under the relatively high prices of April 1953.

The strawberry crop in the mid-spring States, which is picked mostly in May, is expected to be about 5.5 million crates (24 quarts each), 4 percent smaller than in 1953. Acreage in the late-spring States is about the same as in 1954. These two groups of States furnish most of the strawberries that are processed by freezing as well as providing the main crop for fresh use. On April 1, the condition of peach trees in the 10 Southern early States pointed to a crop somewhat smaller than in 1953.

COMMERCIAL VEGETABLES

For Fresh Market

Based on present indications for crops to be harvested in early spring, more asparagus, sweet corn and tomatoes will be available than last year, but less broccoli, cabbage, lettuce and onions. Prices received by farmers for these and other fresh market truck crops are expected to be not greatly different from levels of a year earlier except for tomatoes, for which prices probably will be lower, and onions, for which prices probably will be higher.

For Commercial Processing

Processors' reports of intentions to plant indicate the probability of only slightly less acreage this year than last in peas for canning, and approximately as large an acreage as last year for freezing. Reduction from last year's acreages planted have been suggested by the Department Guides for each of the major processing crops except beets, spinach and tomatoes. Early and incomplete reports indicate that processors are offering slightly lower prices to farmers this year than last for most processing crops.

Except for canned tomatoes and canned tomato products, other than juice, current stocks of canned vegetables are generally larger than a year earlier. Stocks of frozen vegetables in commercial cold storage are declining seasonally. They were higher March 1, 1954 in total, and for most items except pumpkin and squash, and spinach, than on the same date any prior year. Net movement out of storage also is generally higher than a year earlier.

POTATOES AND SWEETPOTATOES

Prices for old-crop potatoes have risen substantially above the low levels in effect through mid-March but are expected to continue lower than a year earlier. Factors in the recent improvement in prices were the smaller supplies of new or early commercial potatoes this spring compared to last and the Department's announcement of a limited Section 32 purchase and diversion payment program. Prices for new potatoes, though declining in April and May as they become progressively more plentiful, are expected to decline less rapidly than a year earlier. By early summer potato prices probably will be higher than the relatively low prices of a year earlier; judging from present prospects for much smaller supplies.

With the increase in production from 1952 to 1953, prices for sweet-potatoes this season have been consistently far below the high prices of a year earlier. March intentions to plant indicate about the same U. S. acreage this year as last. Considerable increases are reported for New Jersey, Tennessee, Oklahoma, Texas, and California. Decreases are intended for Louisiana, the Carolinas, and Georgia.

DRY BEANS AND PEAS

Prices received by farmers for dry beans and peas have declined substantially since last fall and are well under levels for corresponding dates a year earlier. With a considerable (about 14 percent) increase in

acreage of both dry beans and peas indicated by planting intentions, there appears to be no basis for anything more than a seasonal rise in bean and pea prices in the next 2 or 3 months.

The support program for the 1954 dry bean crop is similar to that of last year but on a level about 7 percent lower. Support prices for U. S. No. 1 1953 crop beans ranged by classes from \$6.45 to \$11.80 per hundred pounds, based on a national average support price of \$7.79 per hundred pounds which was equal to approximately 87 percent of the December 15, 1952 parity price for dry edible beans. Support for the 1954 crop at 80 percent of the February 15, 1954 parity price for all dry edible beans will again vary by classes, with a national average of \$7.24 cents per hundred pounds. Prices of peas are unsupported.

COTTON

Consumption of cotton by domestic mills has been running below a year earlier so far in 1953-54. Total consumption for the year is expected to be about 8.8 million bales compared with 9.5 million in 1952-53. The decline is being caused largely by smaller exports of cotton textiles, smaller purchases of cotton textiles by the military forces and some substitution of synthetic fibers for cotton. The average daily rate of consumption during February was 34.8 thousand bales. This was 0.9 thousand above January and 4.2 thousand smaller than February 1953.

Exports of 1.9 million bales in the first 7 months of this season are about 88 thousand bales below those of the same period in 1952-53. Exports in February were about 49 percent above February 1953. In the last 5 months of this season exports are expected to be large enough to boost the 1953-54 total by nearly half a million bales above the 3 million exported in 1952-53. The main reasons for expecting increased exports are larger cotton consumption abroad and smaller foreign supplies. Prices for foreign cotton have advanced and are now generally close to those for U. S. cotton.

Exports and domestic consumption this season are expected to total about 12.3 million bales. With the 1953-54 supply estimated at 22 million bales, the carryover at the end of the season will probably be about 9.7 million, most of which is expected to be held by CCC. On April 9, about 7,713 thousand bales of Upland cotton were pledged as collateral under CCC loans on 1952 and 1953 cotton. This was about 399 thousand bales smaller than the peak of February 12. More than 6,700 thousand bales of 1953 crop Upland cotton had moved under price support.

The consumption of cotton per person in the United States in calendar 1953 was about the same as in 1952, 27.9 pounds. However, the per capita consumption of synthetic fibers was up about 0.2 pounds from the 9.2 pounds of 1952.

The average price of Middling, 15/16 inch cotton on April 15 was 34.12 cents per pound. This compares with 32.99 cents a year earlier and a March average of 34.23 cents.

WOOL

Wool prices are likely to continue relatively stable over the next few months at levels about the same as or slightly below a year earlier. Prices for most fine and half-blood wools probably will remain above loan rates during the next few months, while those of most three-eighths blood and lower wools are likely to continue at or slightly below.

Prices received by growers for the 1954 shorn wool clip (April 1954-March 1955) probably will average about the same as or close to the 54.7 cents per pound average for the 1953 clip. The minimum national average support price to the grower for the 1954 clip was announced last December at 52.1 cents per pound. The announcement provided that if the parity price for wool as of March 15, 1954, were higher than that used in establishing this minimum, the average support price would be increased accordingly. Ninety percent of the March 15 parity price was 53.2 cents. The proposed wool program involving incentive payments, designed to encourage increased production and consumption of domestic wool, is now being considered by Congress. The Secretary has announced that if it is enacted in time it will be put into effect before the end of the marketing season.

World supplies available for the rest of the season are about the same as at this time last year. The British Dominions have less wool for sale but the quantity unsold in South America is larger. Total stocks in consuming countries are about the same as a year ago.

Production of both shorn and pulled wool in the United States this season is expected to be down a little from last year. Indications are that trade stocks are substantially lower than a year ago. As of March 31, CCC had available for sale about 90.4 million pounds, actual weight, compared with holdings of about 11.4 million pounds a year earlier. As of February 28, about 31 million pounds of shorn wool were under loan, compared with about 81.5 million a year earlier. Total stocks in the United States probably are lower than a year ago.

The rate of world consumption of wool declined slightly during the second half of 1953, largely because of a sharp decline in the United States. Although the rate of consumption of apparel wool in the United States increased a little in January and February of this year, it was one-third below a year earlier. Retail sales of wool products during the latter part of last year were lower than had been anticipated, and inventories became large relative to sales. Some improvement in the rate of mill consumption appears likely as these ratios approach more nearly normal working levels. A substantial increase would be needed, however, to bring the total for the year up to the 352 million pounds, scoured basis, used last year.

TOBACCO

Demand for most kinds of tobacco is expected to be firm during the year ahead. Domestic consumption of cigarette tobacco is expected to be almost as large as last year. The number of cigarettes consumed may be

a little lower, but with a continued trend to "king size," leaf requirements would not be much below last year's. Factory shipments of cigarettes for domestic use in the first quarter of 1954 probably fell below early 1953, when dealers were stocking heavily in anticipation of the termination of the price ceilings and a prospective price advance. Filter tip cigarettes are likely to show a significant further gain in 1954. Assuming average yields, the 1954 crops of the major cigarette tobaccos, flue-cured and Burley, together with their expected carryovers, will provide total supplies for 1954-55 slightly above 1953-54.

Use of smoking tobacco dropped about one-tenth from 1952 to 1953 but may level off during 1954. Chewing tobacco seems likely to continue to decline gradually while snuff probably will be approximately the same as in 1953. Cigar consumption appears to have declined some in early 1954; but with consumer incomes continuing relatively high, cigar consumption in 1954 is expected to nearly reach the 1953 level.

On March 30, the Department of Agriculture announced increases in the 1954 marketing quotas for fire-cured and dark air-cured tobacco. The increases restore the 10 percent reduction for fire-cured tobacco and almost one-half of the approximately 20 percent cut for dark air-cured tobacco announced last November. Additional exports of these types are now expected following the recent visit by Department representatives to Europe and discussions held there.

Total exports of all unmanufactured tobacco during calendar year 1954 seem likely to approach last year's figure of 516 million pounds (export weight). Flue-cured usually accounts for over four-fifths of all exported tobacco.

Auctions for the 1953 crop of Maryland tobacco will open May 4. The level of price support is 50.4 cents per pound. Total disappearance of Maryland tobacco during 1952-53 was at a record high and an active demand is expected for the crop about to be marketed.

The 1954 crops of flue-cured, Burley, cigar filler and binder (types 42-44 and 51-55), and Puerto Rican tobacco will be supported at 90 percent of the applicable parities. The fire-cured and dark air-cured crops (including Virginia sun-cured) receive price support at 75 and 66 2/3 percent of the Burley loan level. As of March 15, 1954 the calculated parities for flue-cured and Burley were 53.2 and 51.5 cents per pound respectively. Ninety percent of the March 15 parities is equivalent to last season's support level for flue-cured and slightly lower than last season for Burley.

ECONOMIC FACTORS AFFECTING AGRICULTURE, 1929, 1932 and 1935-53

Item	Unit or base	1929	1932	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
Industrial production 1/ #	1947-49=100:																					
Total	do.	59	31	47	56	61	48	58	67	87	106	127	125	107	90	100	104	97	112	120	124	134
All manufactures	do.	58	30	46	55	60	46	57	66	88	110	133	130	110	90	100	103	97	113	121	125	136
Durable goods	do.	60	19	38	49	55	35	49	63	91	126	162	159	123	86	101	104	95	116	128	136	153
Nondurable goods	do.	56	42	55	61	64	57	66	69	84	93	103	99	96	95	99	102	99	111	114	114	118
Minerals	do.	68	42	55	63	71	62	68	76	81	84	87	93	92	91	100	106	94	105	115	114	116
Total outlay for new construction 2/	Million dollars	10,793	3,538	4,232	6,497	6,999	6,980	8,198	8,682	11,957	14,075	8,301	5,259	5,633	12,000	16,689	21,678	22,789	28,454	30,895	32,638	34,843
Residential	do.	3,625	630	1,010	1,565	1,875	1,950	2,680	2,985	3,510	1,715	885	815	1,100	4,015	6,310	8,580	8,267	12,600	10,973	11,100	11,905
Total civilian employment 3/	Million	47.6	39.0	42.3	44.4	46.3	44.2	45.8	47.5	50.4	53.8	54.5	54.0	52.8	55.2	58.0	59.4	58.7	60.0	61.0	61.3	61.9
Nonagricultural	do.	37.2	28.8	32.2	34.4	36.5	34.6	36.2	38.0	41.2	44.5	45.4	45.0	44.2	46.9	49.8	51.4	50.7	52.4	54.0	54.5	55.4
Unemployed	do.	1.6	12.0	10.6	9.0	7.7	10.4	9.5	8.1	5.6	2.7	1.1	.7	1.0	2.3	2.1	2.1	3.4	3.1	1.9	1.7	1.5
Income:	Mill. dol.																					
Nonagricultural payments 2/	Mill. dol.	76.8	46.2	53.4	62.8	66.5	62.1	66.3	71.5	86.1	109.4	135.2	150.5	155.7	158.8	170.8	187.1	188.7	209.0	234.0	249.9	267.4
Production worker payrolls 4/	1947-49=100:	35.0	14.8	23.5	27.2	32.6	25.3	29.9	34.0	49.3	72.2	99.0	102.8	87.8	81.2	97.7	105.1	97.2	111.7	129.6	135.3	149.2
Weekly earnings of production workers in manufacturing 4/ #	Dollars	25.03	17.05	20.13	21.78	24.05	22.30	23.86	25.20	29.58	36.65	43.14	46.08	44.39	43.82	49.97	54.14	54.92	59.33	64.71	67.97	71.57
Durable	do.	27.22	16.21	21.52	24.04	26.91	24.01	26.50	28.44	34.04	42.73	49.30	52.07	49.05	46.49	52.46	57.11	58.03	63.32	69.47	73.04	77.19
Nondurable	do.	22.93	17.57	19.11	19.94	21.53	21.05	21.78	22.27	24.92	29.13	34.12	37.12	38.29	41.14	46.96	50.61	51.41	54.71	58.46	60.98	63.44
Prices:																						
Wholesale prices all commodities 4/	1947-49=100:	62	42	52	52	56	51	50	51	57	54	67	68	69	79	96	104	99	103	115	112	110
Commodities other than farm and food	do.	66	50	56	57	61	58	58	59	64	68	69	70	71	78	95	103	101	105	116	113	114
Farm	do.	59	27	44	45	48	38	36	38	46	59	68	69	72	83	100	107	93	98	113	107	97
Food	do.															98	106	96	100	111	109	105
Prices received by farmers 5/ #	1910-14=100:	148	65	109	114	122	97	95	100	124	159	193	197	207	236	276	287	250	258	302	288	258
Crops	do.	135	57	103	108	118	80	82	90	108	145	187	199	202	228	263	255	224	233	265	267	242
Livestock and products	do.	159	72	114	119	126	112	107	109	138	171	198	196	211	242	288	315	272	280	336	306	273
Prices paid, interest, taxes, and wage rates 5/	1910-14=100:	160	112	124	124	131	124	123	124	133	152	171	182	190	208	240	260	251	256	282	287	279
Items used in living	do.	154	106	124	124	128	122	120	121	130	149	166	175	182	202	237	251	243	246	268	271	270
Items used in production	do.	146	99	122	122	132	122	121	123	130	148	164	173	176	191	224	250	238	246	273	274	253
Parity ratio	do.	92	58	88	92	93	78	77	81	93	105	113	108	109	113	115	110	100	101	107	100	92
Consumer price index 4/ ...	1947-49=100:	73	58	59	59	61	60	59	60	63	70	74	75	77	83	96	103	102	103	111	114	114
Food	do.	66	43	50	50	52	48	47	48	52	61	68	67	69	79	96	104	100	101	113	115	113
Government purchases of goods and services 2/	Billion dollars	8.5	8.1	9.9	11.7	11.6	12.8	13.1	13.9	24.7	59.7	88.6	96.5	82.8	30.9	28.6	36.6	43.6	42.0	62.9	77.5	84.9
Federal (less Government sales)	do.	1.3	1.5	2.9	4.8	4.6	5.3	5.2	6.2	16.9	52.0	81.2	89.0	74.8	20.9	15.8	21.0	25.4	22.1	41.1	54.2	59.7
State and local	do.	7.2	6.6	7.0	6.9	7.0	7.5	7.9	7.8	7.8	7.7	7.4	7.5	8.0	10.0	12.8	15.6	18.2	19.9	21.8	23.4	25.2

1/ Federal Reserve Board.

2/ U. S. Department of Commerce.

3/ U. S. Department of Labor for years 1929-39. From 1940 to date Bureau of the Census.

4/ U. S. Department of Labor, Bureau of Labor Statistics.

5/ U. S. Department of Agriculture, Agricultural Marketing Service.

p - preliminary # - Revised series.

